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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/574,546	04/03/2006	Saar Will	2043.560US1	4073
49845 7590 04/01/2009 SCHWEGMAN, LUNDBERG & WOESSNER/EBAY P.O. BOX 2938 MINNEAPOLIS, MN 55402				
EXAMINER NIGH, JAMES D				
ART UNIT 3685		PAPER NUMBER		
NOTIFICATION DATE 04/01/2009		DELIVERY MODE ELECTRONIC		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

Office Action Summary

Application No.

10/574,546

Applicant(s)

WILF ET AL.

Examiner

JAMES D. NIGH

Art Unit

3685

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 April 2006 and 17 May 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 03 April 2006 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☒ All b) ☐ Some * c) ☐ None of:
1. ☒ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/S508)
Paper No(s)/Mail Date 28 September 2006
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This communication is in response to application filed on 3 April 2006 with subsequent amendment on 17 May 2006. Claims 1-22 are presented for examination on the merits.

Priority

2. Receipt is acknowledged of papers submitted 09/01/2005 under 35 U.S.C. 119(a)-(d), which papers have been placed of record in the file.
3. Applicant's claim for the benefit of U.S. provisional patent application 60/508246 filed 3 October 2003 under 35 U.S.C. 119(e) is acknowledged.

Information Disclosure Statement

4. The information disclosure statement (IDS) was submitted on 28 September 2006. The submission is in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statement is being considered by the examiner.

Claim Rejections - 35 USC § 101

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 1-22 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 recites a method of determining a reliability of a transaction but does not positively recite any structure upon which the method is being performed, nor is any physical transformation occurring. Based on Supreme Court precedent (See also *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9

(1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, a §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In addition, the tie to a particular apparatus, for example, cannot be mere extra-solution activity. See *In re Bilski*, 88 USPQ2d 1385 (Fed. Cir. 2008).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps.

To meet prong (1), the method step should positively recite the other statutory class (the thing or product) to which it is tied. This may be accomplished by having the claim positively recite the machine that accomplishes the method steps. Alternatively or to meet prong (2), the method step should positively recite identifying the material that is being changed to a different state or positively recite the subject matter that is being transformed.

In this particular case, claim 11 fails prong (1) because the method steps are not tied to a machine and can be performed without the use of a particular machine. Additionally, the claim(s) fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

7. Claims 2-15 are also rejected as being dependent upon claim 1.
8. Claim 16 recites a verification system but appears to be composed entirely of software. Computer programs claimed as computer listings per se, i.e., the descriptions or expressions of the programs, are not physical "things." They are neither computer

components nor statutory processes, as they are not "acts" being performed. Such claimed computer programs do not define any structural and functional interrelationships between the computer program and other claimed elements of a computer which permit the computer program's functionality to be realized. In contrast, a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program's functionality to be realized, and is thus statutory. See *Lowry*, 32 F.3d at 1583-84, 32 USPQ2d at 1035. Accordingly, it is important to distinguish claims that define descriptive material per se from claims that define statutory inventions.

9. Claims 17-22 are also rejected as being dependent upon claim 16.

Claim Rejections - 35 USC § 112

10. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

11. **Claims 1-22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

12. Claim 1 recites a "reliability indicator". The claim further recites "indicating an estimated likelihood that at least one stored personal detail associated with the chargeable account was submitted fraudulently". The expression "estimated likelihood" renders claim 1 indefinite as this is a relative term and Applicant has not provided within the disclosure a definition of "estimated likelihood" such that the scope of the expression

can be determined, nor has Applicant provided any recitation of how to make the estimate or any objective scale for "likelihood". As such it is not possible to objectively determine what the association is between the reliability indicator and fraudulent submission. For purposes of claim interpretation a "reliability indicator" will simply be a transaction parameter.

13. Claim 5 recites "a more recent said receiving..." In reviewing Applicant's disclosure only page 10 lines 6 through 13 provide any indication of how "more recent said receiving is potentially used. While Applicant has suggested that information could potentially be used in a certain manner no definitive scoring system has been claimed nor has a deterministic means of assigning lower or higher risk scores to data. As such the system as claimed only store pieces of data and dates at which the data was obtained. A person of ordinary skill in the art would be required to use their own judgment in determining how they wished to use the data and what scoring system suited their needs. Therefore the claim only definitively states that a piece of data is obtained and recites the date on which it was obtained; additional inferences about what the data "indicates" are indefinite and are up to the user to decide. Therefore for purposes of claim interpretation only the data value and the date that it was obtained will receive patentable weight.

14. Claim 6 recites "a lower degree of said personal exposure increases said estimated likelihood that at least one said stored personal detail was submitted fraudulently" which renders claim 6 indefinite as it cannot be determined what the scope of this expression would be as the degree is subjective and Applicant's disclosure has

not set any deterministic method to employ this degree. While the disclosure on page 6, line 32 through page 7 line 7 does provide a definition for personal exposure what is lacking is any definitive means of deterministically applying the data in a manner that would either categorize the degree of personal exposure (such as a scale or ratings per different types of personal exposure) that would give the claim patentable weight. A person of ordinary skill in the art would need to make their own determination as to what "degree" of exposure lends itself more to fraud. Therefore for purposes of claim interpretation claim 6 will only indicate the medium through which the transaction occurred such as personal, web, telephone, etc.

15. Claim 7 is similar to claims 5 and 6 in that subjective judgment is required. The only patentable weight will be given to storing that the transaction occurred over the internet.

16. Claim 8 recites "wherein submission of at least one said stored personal detail in person decreases said estimated likelihood that at least one said stored personal detail was submitted fraudulently". As estimated likelihood requires a subjective judgment and is indefinite, for purposes of claim interpretation it will be sufficient to indicate the place or method of where the transaction occurred.

17. Claim 9 recites "wherein at least one said reliability indicator is based on said identification procedure and a presentation of a verifying item upon submission of at least one said stored personal detail decreases said estimated likelihood that at least one said stored personal detail was submitted fraudulently". As the "estimated

likelihood" requires a subjective judgment and is indefinite, for purposes of claim interpretation it will be sufficient to disclose an identification procedure.

18. Claims 2-15 are also rejected as being dependent upon claim 1.

19. Claim 16 recites "indicating an estimated likelihood that at least one stored personal detail associated with the chargeable account was submitted fraudulently". As this requires human judgment the expression is indefinite. For purpose of claim interpretation claim 16 will be "a reliability indicator".

20. Claim 22 recites "reliability detector". There is insufficient antecedent basis for this claim. For purposes of claim interpretation the expression will be interpreted as reliability indicator.

21. Claims 17-22 are also rejected as being dependent upon claim 16.

Claim Rejections - 35 USC § 102

22. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

23. **Claims 1-9 and 11-22 are rejected under 35 U.S.C. 102(e) as being clearly anticipated by Hillmer et al. (U.S. Patent 6,714,918, hereinafter referred to as Hillmer).**

24. As per claim 1

Hillmer discloses receiving the account identifier (4:38-51, 6:37-65)

Hillmer discloses providing a reliability indicator (7:42-53, 9:21-10:3, 10:49-58, 12:25-49)

25. As per claim 2

Hillmer discloses providing stored personal details (7:7-28, 7:42-53, 12:25-49)

26. As per claim 3

Hillmer discloses comparing a candidate detail against a stored detail (12:25-49, 13:37-48)

27. As per claim 4

Hillmer discloses where said reliability indicator is based on at least one piece of information selected from the group consisting of a time at least one said stored personal detail was received, the identification procedure performed upon receipt of at least one said stored personal detail, and the degree of personal exposure of an entity submitting at least one said stored personal detail (9:21-10:48)

28. As per claim 5

Hillmer discloses recording the date of the transaction (9:21-35)

29. As per claim 6

Hillmer discloses information about the transaction medium (6:66-7:6, 7:54-8:6, Table 1.0)

30. As per claim 7

Hillmer discloses a connection over the Internet (6:66-7:6)

31. As per claim 8

Hillmer disclose the place or method where the transaction occurs (6:66-7:6)

32. As per claim 9

Hillmer discloses an identification procedure (4:52-5:2, 6:37-65)

33. As per claim 11

Hillmer discloses carrying out fraud prevention measures based upon provided said at least one reliability indicator (9:21-10:22)

34. As per claim 12

Hillmer discloses wherein said fraud preventing measures are selected from the group consisting of making a phone call to a verified phone number, sending an email to a verified email address, and physically sending an item to a verified street address (9:21-10:22).

35. As per claim 13

Hillmer discloses authorizing or denying a transaction based upon provided said at least one reliability indicator (5:3-38, 8:23-43, 12:14-49, 14:49-65)

36. As per claim 14

Hillmer discloses wherein said at least one stored personal detail is selected from the group consisting of account owner's name, a street address, a billing address, an additional address, a phone number, an email address, a government-issued identifier, a mother's maiden name, a social security number (9:21-10:22)

37. As per claim 15

Hillmer discloses combining a plurality of said reliability indicators to obtain at least one combined reliability indicator (9:21-10:22).

38. As per claim 16

Hillmer discloses a data receiving unit configured to receive data selected from the group consisting of the account identifier and at least one candidate personal detail (4:38-51, 6:37-65)

Hillmer discloses a reliability indicator provider for providing at least one reliability indicator (7:42-53, 9:21-10:3, 10:49-58, 12:25-49).

39. As per claim 17

Hillmer discloses a data output unit configured to output data selected from the group consisting of said at least one reliability indicator and at least one said stored personal details (7:7-28, 7:42-53, 12:25-49).

40. As per claim 18

Hillmer discloses a chargeable account database for storing data selected from the group consisting of at least one said stored personal detail, at least one candidate personal detail, at least one said account identifier, and at least one said reliability indicator (12:25-49, 13:37-48).

41. As per claim 19

Hillmer discloses wherein said reliability indicator provider includes a combining module for combining a plurality of said reliability indicators to produce a combined reliability indicator (9:21-10:22).

42. As per claim 20

Hillmer discloses a comparison module, for comparing at least one said candidate personal detail with at least one said stored personal detail (12:25-49, 13:37-48).

43. As per claim 21

Hillmer discloses a comparison module, for comparing at least one said candidate personal detail with at least one said stored personal detail, wherein said data output unit is further configured to send results of said comparison (12:25-49, 13:37-48).

44. As per claim 22

Hillmer discloses authorizing or denying a transaction based upon provided said at least one reliability indicator (5:3-38, 8:23-43, 12:14-49, 14:49-65).

Claim Rejections - 35 USC § 103

45. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

46. **Claim 10 is rejected under 35 U.S.C. 103(a) as being unpatentable over**

Hillmer in view of Houvener et al. (U.S. Patent 6,070,141, hereinafter referred to as Houvener).

47. As per claim 10

Hillmer does not explicitly disclose wherein said verifying item is selected from the group consisting of government issued identification, a hand signature and biometric

information. Houvener teaches IDs, signatures and biometric information (6:52-67, 9:16-38)

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the system and method for detecting fraudulent transactions of Hillmer with the system and method of assessing the quality of an identification transaction using an identification quality score of Houvener for the purpose of identifying transactions where heightened scrutiny is warranted.

Please note:

Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings of the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

A recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

Applicant(s) are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C: "Language

that suggest or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]; and *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) ("As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.").

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES D. NIGH whose telephone number is (571)270-5486. The examiner can normally be reached on Monday-Thursday 6:45-5:15.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin L. Hewitt II can be reached on 571-272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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/JAMES D NIGH/
Examiner, Art Unit 3685

/Calvin L Hewitt II/
Supervisory Patent Examiner, Art Unit 3685